

RECENT PRICE	61.29	P/E RATIO	68.9 (Trailing: NMF Median: 32.0)	RELATIVE P/E RATIO	4.47	DIV'D YLD	5.0%	VALUE LINE
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Health Care REIT was founded in 1970. Initially, the company's portfolio was comprised of skilled nursing properties. Later, it was expanded to include independent living facilities and medical office buildings.				2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17			
				19.19	20.43	20.74	19.85	22.40	24.26	27.99	28.43	29.31	31.80	36.05	35.90	Book Value per sh	35.75			
				2.66	2.70	2.82	3.03	2.97	3.12	3.38	3.13	3.08	3.41	3.50	3.90	Funds from Ops per sh ^D	5.20			
				1.47	1.44	1.38	1.06	1.32	1.26	1.35	1.22	.49	.60	.70	.95	Earnings per sh ^A	1.50			
				2.34	2.34	2.39	2.46	2.54	2.62	2.70	2.72	2.74	2.84	2.96	3.06	Div'ds Decl'd per sh ^B	4.18			
CAPITAL STRUCTURE as of 9/30/12				38.02	39.56	46.15	49.03	56.33	58.63	55.91	49.28	58.40	72.51	60.75	61.35	Loans & Real Est per sh	67.15			
Total Debt \$7319.0 mill. Due in 5 Yrs \$2320.0 mill.				40.10	50.36	52.92	58.12	73.19	85.50	104.70	123.39	147.10	192.28	260.00	264.00	Common Shs Outst'g ^C	268.00			
LT. Interest \$450 mill.				44%	47%	67%	78%	68%	77%	61%	34%	53%	59%	59%		Premium Over Book	118%			
(41% of Cap'l)				18.8	20.9	25.1	33.3	28.5	34.5	33.4	31.2	NMF	NMF	NMF		Avg Ann'l P/E Ratio	NMF			
No Defined Benefit Pension Plan				10.4	11.2	12.3	11.6	12.6	14.5	13.3	12.2	14.6	14.8	16.4		Avg Ann'l P/FFO Ratio	15.0			
				8.4%	7.8%	8.1%	6.7%	6.9%	6.1%	6.0%	7.1%	6.1%	5.6%	5.2%		Avg Ann'l Div'd Yield	5.4%			
Pfd Stock \$1022.9 million Pfd Div. \$66.8 mill.				163.1	201.0	251.4	281.8	322.8	486.0	551.2	569.0	680.5	1421.2	1850	2050	Revenues(\$mill)	2800			
				--	--	--	--	--	--	--	--	--	--	10.0	12.0	Other Income(\$mill)	15.0			
Common Stock 259,682,359 shs.				90.2%	90.0%	91.4%	84.9%	90.2%	83.5%	79.6%	74.7%	79.8%	62.8%	62.5%	63.0%	Operating Margin	63.0%			
As of 10/31/12				67.4	75.7	84.8	79.2	103.5	125.2	150.3	161.6	84.4	155.9	240	310	Net Profit(\$mill)	480			
MARKET CAP: \$15.9 bill. (Large Cap)				41.3%	37.7%	33.7%	28.1%	32.1%	25.8%	27.3%	28.4%	12.4%	11.0%	13.0%	15.1%	Net Profit Margin	17.1%			
FUNDS FLOW (\$mill.) 2009 2010 2011				d1.0	4.1	--	3.2	1.3	14.4	163.9	43.4	36.1	61.2	50.0	60.0	Capital Gains(\$mill)	100			
Net Profit Plus				1524.5	1992.4	2442.0	2849.5	4122.9	5012.6	5854.2	6080.6	8590.8	13942.4	15800	16200	Real Est(\$mill)	18000			
Noncash charges				381.3	364.7	588.2	676.3	1013.2	1186.2	1500.8	2145.8	2704.7	2863.8	2414.0	4460.9	7156.8	7400	7800	Long-Term Debt (\$mill)	8800
Investments Repaid				--	--	--	897.2	1149.7	1335.3	1430.8	1978.8	2404.4	3211.6	3797.0	4602.9	7124.8	10400	10500	Shr. Equity (\$mill)	10600
Net New Debt				-449.8	2046.9	2695.9	88.0%	86.7%	84.8%	81.2%	85.5%	84.0%	79.9%	86.9%	89.0%	83.3%	84.5%	78.5%	Div'ds Decl'd to FFO	80.0%
New Equity				585.4	805.9	2521.9	1.0%	1.0%	--	1.5%	--	1.6%	1.9%	2.4%	1.6%	3.8%	4.5%	5.0%	Expenses to Assets	5.5%
Investments Funded				599.0	2074.2	4905.1	5.6%	4.7%	4.8%	4.1%	3.6%	3.8%	3.5%	3.5%	1.8%	2.2%	2.5%	3.0%	Return on Total Cap'l	4.0%
Dividends Declared				333.8	370.2	544.2	7.5%	6.6%	6.4%	5.5%	5.2%	5.2%	4.6%	4.3%	1.8%	2.2%	2.5%	3.0%	Return on Shr. Equity	4.5%
FINANCIAL POSITION 12/31/10 12/31/11																				
Senior Debt				3034.9	4434.1															
Subordinated Debt				--	--															
Sr Debt/Cap'l Funds				.39.1	.38.1															
Total Debt/Equity				.96.1	1.00.1															
PORTFOLIO CONDITION Year Ago Latest																				
Non-Earn Assets—%/Invs.				--	--															
				BUSINESS: Health Care REIT, Inc. is a Real Estate Investment Trust (REIT) focusing on a wide assortment of senior housing and healthcare real estate, including senior housing communities, skilled nursing facilities, medical office buildings, inpatient and outpatient medical centers, and life sciences facilities. In addition, Health Care REIT offers various property management and development services. As of 2012, Health Care REIT's portfolio was comprised of roughly 937 properties, located in 46 states. Has about 310 employees. Officers and Dir. own less than 1% of stock (3/12 proxy). Chairman, Director, and Executive Officer: Mr. George L. Chapman. Inc. De. Address: 4500 Dorr Street, Toledo, Ohio. 43615. Telephone: (419) 247-2800. Internet: www.hcreit.com																

Health Care REIT will likely complete its acquisition of Sunrise Senior Living, Inc. The deal, set to close in early 2013, should add roughly 125 properties to Health Care REIT's portfolio. Once finalized, Health Care REIT's portfolio will contain substantial holdings in the U.S., Canada, and the U.K., making it one of the largest healthcare operators. As a result of the deal, Health Care REIT's portfolio will contain a greater percentage of private-pay tenants, reducing dependency on government reimbursements.

Meanwhile, Health Care REIT was actively repositioning its portfolio last year. The REIT continued to improve its portfolio through targeted property dispositions. The REIT has been trying to dispose of its skilled nursing facilities, and use the funds to invest in more-promising lines.

There is ample opportunity in the medical office building (MOB) arena. These properties are in high demand, as outpatient care has been expanding. As of September, the REIT's average MOB measured about 65,000 sq. feet. However, recent investments include properties con-

taining up to 300,000 sq. feet, making them similar in size to small hospitals. Health Care REIT is doing a good job attracting tenants to these facilities, as suggested by a 94% occupancy level and high tenant-retention rate.

Nonetheless, the profit outlook has narrowed a bit. This partly reflects ongoing common equity issuances associated with the REIT's numerous acquisitions. We now look for funds from operations (FFO) to come in at \$3.50 per diluted share in 2012, which is \$0.10 lower than our prior estimate. We are leaving our 2013 FFO forecast of \$3.90 per share unchanged.

These neutrally ranked shares have advanced a bit in price since our October report. This may reflect investors' optimism concerning the REIT's aggressive acquisition program. Elsewhere, our current projections suggest that this REIT holds limited appreciation potential for the next 3 to 5 years. But the issue has a solid dividend yield, and the board of directors recently approved a small increase in the payment, which is a good sign.

Adam Rosner *January 11, 2013*

<p>(A) Diluted eggs, discontinued operations: '10, \$0.35; '09, \$0.27; '08, \$1.46; '07, \$0.20; '06, \$0.01; '05, \$0.09; '04, \$0.01; '03, \$0.16; '02, \$0.02. Qttly. eggs. do not sum to total due to</p>	<p>change in shares outstanding. Next eggs. report early Feb. (B) Divs. historically paid in late Feb., May, Aug. and Nov. ■ Div. reinvestment plan available. Div. of \$0.765 per share for first</p>	<p>quarter of 2013 declared in early (11/12). (C) In mill. (D) Funds from operations. Qttly. FFO may not sum due to rounding.</p>	<table border="1"> <tr> <td>Company's Financial Strength</td> <td>B+</td> </tr> <tr> <td>Stock's Price Stability</td> <td>90</td> </tr> <tr> <td>Price Growth Persistence</td> <td>65</td> </tr> <tr> <td>Earnings Predictability</td> <td>45</td> </tr> </table>	Company's Financial Strength	B+	Stock's Price Stability	90	Price Growth Persistence	65	Earnings Predictability	45
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